

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
OFFICE OF DRUG CONTROL POLICY
PROGRAM INCOME REPORT INSTRUCTIONS**

Definitions

Program Income is defined as gross income earned by the grantee/subgrantee during the grant period, as a direct result of the grant project.

Gross Income is defined as all revenue which is earned and available for use by the reporting agency. (Asset forfeitures are considered to be program income, once the adjudication process is complete).

Direct Result is defined as a specific act or set of activities which are directly attributable to grant funds and directly related to the goals and objectives of the project.

Expenditures are costs incurred by the grantee/subgrantee for any purpose approved under the grant project, including grant match. This includes activities which promote or enhance the goals and objectives of the grant program. This does **not** include any portion of direct federal reimbursed expenditures reported upon monthly Financial Reports and/or Final Expenditure Reports.

Reporting Period is defined as each three-month quarter of the grant fiscal year.

Examples of Program Income

1. The following specific items may be considered program income as defined above: asset forfeitures, fees charged to participating clients/agencies, and interest earned on any balance of unexpended program income.
2. The following items, or similar items to such, may be considered program income as defined above: conference and tuition fees (reimbursed to agency or charged to participants), royalties from copyrights, and revenue resulting from any works developed as a result of or use of grant funds.
3. The examples are not meant to be exclusive. Any revenue derived as a direct result of program activities may be considered to be program income, as defined above.

Instructions for Completion

The beginning balance reported under Section 2, must equal the ending balance for the prior period reported upon. Any discrepancies must be explained in an attached narrative or supplementary paragraph.

The income reported under Section 3, must reconcile to the accounting records of the reporting agency. The year-to-date amounts must total from prior Reports submitted to the Office of Drug Control Policy for the grant year.

The expenditures reported under Section 4, must reconcile to the accounting records of the reporting agency. The year-to-date amounts must total from prior Reports submitted to the Office of Drug Control Policy for the grant year. The only amount which coincides with the monthly Financial Reports is the item listed as "Grant Match". Do not restate information reported upon the monthly Financial Report form.

The ending balance must be determined from the data presented above.

For reporting purposes, income and expenditures may be considered to be received and expended upon a first-in, first-out basis (the dollars remaining from any prior unexpended balance will be expended before current income is used). The Office of Drug Control Policy encourages the elimination of outstanding balances from prior periods (a negative balance in the current period, combined with a positive balance from prior grant periods, may not be reflective of overall status).

A negative balance is appropriate only if the grantee reasonably expects to eliminate the deficit with proceeds in the same fiscal year.

Inconsistent data, inaccurate reporting, or other errors may cause the Report to be returned to the grantee for further explanation. The Report will be considered delinquent until an accurate Report is received by the Office of Drug Control Policy.